



FACT SHEET

Loan Funds Available For Removal Activities At Brownfield Sites

The Indiana Department of Environmental Management (IDEM) received a Brownfields Cleanup Revolving Loan Fund (BCRLF) pilot grant from U.S. EPA in 1997 for \$350,000. The pilot is funded under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This pilot is designed to allow the State to capitalize revolving loan funds that will be used to clean up brownfields to facilitate their sustainable reuse.

Through this pilot, IDEM may issue low-interest loans for non-time critical removals. IDEM currently has \$1,000,000 available to loan for a limited time only. Non-time critical refers to removal actions for which a planning period of at least 6 months exist. The following removal actions defined in 30 CFR 300.415 are, as a general rule, appropriate: (1) Fences, warning signs, or other security or site control precautions--where humans or animals have access to the release; (2) Drainage controls, for example, run-off or run-on diversion--where needed to reduce migration of hazardous substances or pollutants or contaminants off-site or to prevent precipitation or run-off from other sources, for example, flooding, from entering the release area from other areas; (3) Stabilization of berms, dikes, or impoundments or drainage or closing of lagoons--where needed to maintain the integrity of the structures; (4) Capping of contaminated soils or sludges--where needed to reduce migration of hazardous substances or pollutants or contaminants into soil, ground or surface water, or air; (5) Using chemicals and other materials to retard the spread of the release or to mitigate its effects--where the use of such chemicals will reduce the spread of the release; (6) Excavation, consolidation, or removal of highly contaminated soils from drainage or other areas--where such actions will reduce the spread of, or direct contact with, the contamination; (7) Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances or pollutants or contaminants--where it will reduce the likelihood of spillage; leakage; exposure to humans, animals, or food chain; or fire or explosion; (8) Containment, treatment, disposal, or incineration of hazardous materials--where needed to reduce the likelihood of human, animal, or food chain exposure; or (9) Provision of alternative water supply--where necessary immediately to reduce exposure to contaminated household water and continuing until such time as local authorities can satisfy the need for a permanent remedy.

Loan funds may not be used for cleanup of petroleum products because CERCLA excludes petroleum from the definition of hazardous substances. Funds may not be used for clean up of products that are part of a building structure and result in exposure within residential buildings or business or community structures (e.g. interior lead-based paint contamination or asbestos which results in indoor exposure). IDEM will be responsible for determining whether a borrower is eligible.

Under the Brownfields Program, IDEM is interested in involving the public and private sectors, and community organizations in the brownfields cleanup process. Unlike the State Environmental Remediation Revolving Loan Fund, private entities will be eligible to apply for a loan under the BCRLF. IDEM hopes that additional funding will be available for brownfield projects through the partnering of key players in the community. IDEM will require that applicants show evidence of their intent to involve local residents and community organizations in the cleanup process, and describe how cleanup efforts will create and sustain jobs.

The BCRLF will be managed using the same operational structure established for the Environmental Remediation Revolving Loan Fund. As the recipient of the pilot grant, IDEM will serve as the lead agency, with the Indiana Development Finance Authority (IDFA) as the fund manager. IDEM will ensure the environmental cleanups conform with federal and State requirements, especially that any removal actions are authorized by CERCLA. IDFA will use the same application for all brownfields financial requests; administratively separating the applications based on statutory obligations. Interest rates are 2.5% for a term of 1 –9 years and 3% if the loan term is ten to twenty years.

For more information on the BCRLF, contact Gabriele Hauer, IDEM, Brownfields Program Section Chief at (317) 233-2773 or visit the Brownfields Program web page at www.in.gov/idem/land/brownfields.